

Internationalisation of Business Activity

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Overview

- Introductions
- Lecture: expansion strategy
 - Steps in the expansion process
 - “Market Attractiveness” and “Market Accessibility”
- Workshop
 - What would happen if..... 3 hypothetical expansion cases
- -Wrap Up and Summary of learning

Expansion Strategy



Company Analysis

- Marketing & Sales
- Financials
- Human resources
- Operations
- Resources

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- Market Accessibility
- Market Attractiveness

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- Selection of target markets
- Prioritization list

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- Channel strategy
- Pricing
- Market Presence
- Communications

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- Realization of strategy
- Constant review of actions

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Market Analysis

Market Attractiveness

Market Accessibility

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Market Attractiveness

Market Size

Market Growth

Business climate

Competition

Differentiation opportunity

Market Accessibility

Local Presence options

Legal framework

Distance

Localization

Market Analysis

Market Attractiveness

Market Size

Estimation of the size of the precise target market

Market Growth

Compound annual growth rate (CAGR) of defined market

Business climate

Political - Government support (incl. feed-in Tariffs structure, other financial incentives available), trade openness index, policy mechanism

Economic - Overall stability of the economy (output growth, inflation rate), private sector financing

Environmental - infrastructural differences, Accessibility of different regions do they differ across various sub-sectors criminality

Competition

Calculating the strength of competition in a given market will entail the estimation of the number of significant producers

Same product category or **Substitutions**

Differentiation opportunity

Opportunity to create unique selling point (USP)

Market Accessibility

Local Presence options

The ease of building initial market presence (creating visibility)

Existing players have a presence & distribution options

Legal framework

How easy is it to get into and to operate in the market for an Irish company?

Distance

Psychic Distance: Currency differences; Linguistic differences and translation difficulty, Cultural factors – societal norms, values and customs; Economic situation (existing trading links, local conditions, import tariffs)

Physical Distance: Kilometer-difference; Product transportation opportunities/costs; Ease of travelling to destination

Localization

Commercial: Translation marketing material (acceptance of same language),

Technical: Product compliant with regulatory environment (needed adoptions)

What if ... exploring 3 cases

- Form mixed groups according to the product or service. Ideally 2 groups per case.
- Rearrange so that you can sit together and exchange
- Your Fontys peers will explain the case
- Use the handout to discuss factors which affect market attractiveness and market access – exchange about how different these factors are in your own countries
- Prepare to share your findings.



How would you judge the market attractiveness and market accessibility for these companies and their products if they were to expand to Romania?

Wrap Up

- Would your “case” work well in this market?
- What have we learned about international expansion to Romania ?
- What have we learned about business environments in The Netherlands/Germany/Other countries ?



**Come visit us in Venlo and experience
the Dutch way of doing things!**

Thank You!